

FILED
U.S. DISTRICT COURT
DISTRICT OF NEBRASKA
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OFFICE OF THE CLERK

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEBRASKA

UNITED STATES OF AMERICA,

Plaintiff,

vs.

MICHAEL KONING,
LOWELL BAISDEN, and
SUSAN BAISDEN-KONING

Defendants.

4:09CR 3031

INDICTMENT

(18 U.S.C. § 371)

(26 U.S.C. § 7201)

(18 U.S.C. § 2)

The Grand Jury charges:

INTRODUCTION

At all times material to this Indictment:

1. MICHAEL KONING was a medical doctor and an anesthesiologist licensed to practice medicine in the State of Nebraska. MICHAEL KONING resided in North Platte, Nebraska from 1997 through approximately June 2004 and owned and operated ANESTHESIA CONSULTANTS OF NEBRASKA, INC.

2. SUSAN BAISDEN-KONING was married to MICHAEL KONING and resided in North Platte, Nebraska.

3. LOWELL BAISDEN was a resident of Bakersfield, California and a licensed Certified Public Accountant in California. LOWELL BAISDEN provided accounting, tax preparation, and consulting services to clients in California, Nebraska, and other states. LOWELL BAISDEN is SUSAN BAISDEN-KONING's brother.

4. ANESTHESIA CONSULTANTS OF NEBRASKA, INC. (AC of NE) was a

corporation existing under the laws of the State of Nebraska established by MICHAEL KONING on or about April 24, 1997, and which operated in Nebraska through at least 2004. AC of NE had an exclusive contract to provide anesthesia services to Great Plains Regional Medical Center (GPRMC) in North Platte, Nebraska from July 1997 through June 2004. MICHAEL KONING was the President, Secretary, Treasurer, Director, Incorporator, and Registered Agent of AC of NE at various times between 1997 through 2004.

5. BIOVENTURES, INC. was a Nevada Corporation established by MICHAEL KONING and SUSAN BAISDEN-KONING on or about August 11, 1999. MICHAEL KONING and SUSAN BAISDEN-KONING were officers, directors, and owners of Bioventures, Inc. BIOVENTURES, INC. was dissolved on or about July 22, 2005.

6. CW CORPORATION was a Nevada Corporation established on or about August 23, 2002.

7. STRATUS CORPORATION was a Nevada Corporation established on or about September 12, 2002.

8. ZW CORPORATION was a Nevada Corporation established on or about September 12, 2002. ZW CORPORATION was dissolved on or about July 22, 2005.

9. ARCTURUS CORPORATION was a Nevada Corporation established on or about July 23, 2002. MICHAEL KONING and SUSAN BAISDEN-KONING were officers and directors of ARCTURUS CORPORATION. MICHAEL KONING and LOWELL BAISDEN shared the profits of ARCTURUS CORPORATION equally. ARCTURUS CORPORATION was dissolved on or about July 22, 2005.

10. GRANITE CORPORATION was a Nevada Corporation established on or about

September 12, 2002.

11. FT CORPORATION was a Nevada Corporation established on or about July 19, 2002.

12. NORTH CORPORATION was a Nevada Corporation established on or about August 2, 2002.

13. MAK AIR CORP. was a Delaware Corporation established on or about September 11, 2003.

COUNT I

14. The Grand Jury hereby repeats and realleges each and every allegation contained in Paragraphs 1 through 13 of the Indictment.

15. From on or about August 2, 1999, the exact date being unknown to the Grand Jury, and continuing thereafter up to on or about January 8, 2007, in the District of Nebraska, LOWELL BAISDEN, MICHAEL KONING and SUSAN BAISDEN-KONING, defendants herein, did intentionally and knowingly conspire, combine, confederate, and agree, together and with other individuals, both known and unknown to the Grand Jury, to defraud the United States for the purpose of impeding, impairing, obstructing, and defeating the lawful Government functions of the Internal Revenue Service of the Treasury Department in the ascertainment, computation, assessment, and collection of the revenue: to wit, income and other taxes.

MANNER AND MEANS

16. It was part of the conspiracy that beginning on or about August 1, 1999, the exact date being unknown, LOWELL BAISDEN, MICHAEL KONING and SUSAN BAISDEN-KONING conspired and agreed to devise a scheme for the purpose of evading and defeating the

lawful Government functions of the Internal Revenue Service of the Treasury Department in the ascertainment, computation, assessment, and collection of the revenue: to wit, income and other taxes. The conspiracy consisted of LOWELL BAISDEN, MICHAEL KONING, and SUSAN BAISDEN-KONING, agreeing to improperly convert the employment status of MICHAEL KONING from an employee of AC of NE to a contractor of that corporation, without a change of duties or assignments. This change in designation was done with the purpose of concealing the income of MICHAEL KONING to evade and defeat income and other taxes.

17. It was further a part of the conspiracy that as part of the scheme agreed to by LOWELL BAISDEN, MICHAEL KONING and SUSAN BAISDEN-KONING, MICHAEL KONING stopped receiving payments from AC of NE as wages and directed that compensation for medical services be paid to nominee corporations controlled by MICHAEL KONING and SUSAN BAISDEN-KONING. This change had the effect of improperly concealing, shifting and assigning the personal income of MICHAEL KONING and SUSAN BAISDEN-KONING to the nominee corporations controlled by MICHAEL KONING and SUSAN BAISDEN-KONING. A number of these nominee corporations were set up under the laws of the State of Nevada utilizing third parties as officers and directors to further conceal the identity and control of the nominee corporations by MICHAEL KONING and SUSAN BAISDEN-KONING. This improper concealment and assignment of personal income continued from 1999 through 2004.

18. From September 1999 through 2002, AC of NE made approximately Three Million Fifty Three Thousand Eight Hundred and Fifty Four Dollars (\$3,053,854) in compensation payments for MICHAEL KONING's medical services to Bioventures, Inc., a nominee corporation set up by MICHAEL KONING and SUSAN KONING. Beginning in 2003,

LOWELL BAISDEN, MICHAEL KONING and SUSAN BAISDEN-KONING, quit utilizing Bioventures, Inc. to conceal income payments for MICHAEL KONING's medical services and used other nominee corporations to conceal income, including but not limited to, CW Corporation, Stratus Corporation, and ZW Corporation. During 2003 through 2004, AC of NE made approximately One Million Six Hundred Thirteen Thousand Six Hundred Dollars (\$1,613,600) in compensation payments for MICHAEL KONING's medical services to these nominee corporations.

19. It was further part of the conspiracy that, MICHAEL KONING and SUSAN BAISDEN-KONING set up bank accounts in the names of the nominee corporations, including but not limited to, Bioventures Inc., CW Corporation, Stratus Corporation, and ZW Corporation for the purpose of concealing income and improperly deducting personal expenses. SUSAN BAISDEN-KONING wrote checks on the nominee corporation's bank accounts for various personal expenditures, including the improvement of real estate. MICHAEL KONING and SUSAN BAISDEN-KONING, with the assistance of LOWELL BAISDEN, improperly deducted the personal expenditures on the corporation tax return for Bioventures, Inc. filed with the Internal Revenue Service.

20. It was further part of the conspiracy that LOWELL BAISDEN prepared and filed, with the agreement of MICHAEL KONING and SUSAN BAISDEN-KONING, Forms 1040, U.S. Individual Income Tax Returns and Forms 1120, U.S. Corporation Income Tax Returns, for the calendar years 1999 through 2003, which contained materially false and fraudulent statements as to income and expenses for the purpose of evading federal income taxes and other taxes. Personal income of MICHAEL KONING and SUSAN BAISDEN-KONING was omitted or

fraudulently accounted for on Forms 1040, U.S. Individual Income Tax Returns, prepared by LOWELL BAISDEN and filed with the Internal Revenue Service, as rental income for the calendar years 1999 through 2003. By showing rental income as their primary source of personal income, and not payments for MICHAEL KONING's medical services paid by AC of NE, MICHAEL KONING and SUSAN BAISDEN-KONING avoided the payment of self-employment, Social Security and Medicare taxes. It was further part of the conspiracy that MICHAEL KONING and SUSAN KONING, with the agreement of LOWELL BAISDEN, failed to file a Form 1040, U.S. Individual Income Tax Return, for the calendar year 2004, as required by law.

21. It was further a part of the conspiracy that LOWELL BAISDEN obstructed audits and the criminal investigation of MICHAEL KONING and SUSAN BAISDEN-KONING by the Internal Revenue Service by providing misleading and deceptive information to employees of the Internal Revenue Service and by disregarding requests for information by the Internal Revenue Service regarding MICHAEL KONING and SUSAN BAISDEN-KONING.

22. It was further part of the conspiracy that MICHAEL KONING and SUSAN BAISDEN-KONING arranged for LOWELL BAISDEN to travel to North Platte, Nebraska, for the purpose of recruiting medical professionals participate in the conspiracy. As part of the recruitment process, LOWELL BAISDEN told medical professionals that the scheme would allow the medical professionals to avoid the assessment and payment of a substantial portion of their income taxes and hide the personal income of the medical professionals from the Internal Revenue Service. It was further part of the scheme that LOWELL BAISDEN paid referral fees to SUSAN BAISDEN-KONING for her and MICHAEL KONING's assistance in recruiting

other clients for the scheme.

23. It was further part of the conspiracy that MICHAEL KONING and SUSAN BAISDEN-KONING established and operated ARCTURUS CORPORATION and solicited clients to divert a portion of their earnings to ARCTURUS CORPORATION as part of a sham stock purchase arrangement, with the purpose of shielding income from taxes. MICHAEL KONING and LOWELL BAISDEN shared equally in the fees that ARCTURUS CORPORATION charged to its clients. These fees were not disclosed to the Internal Revenue Service.

24. During the course of the conspiracy, LOWELL BAISDEN, MICHAEL KONING and SUSAN BAISDEN-KONING engaged in a scheme to defraud and evade and defeat approximately \$989,000 in individual federal income taxes of MICHAEL KONING and SUSAN BAISDEN-KONING. During the course of the conspiracy, LOWELL BAISDEN, MICHAEL KONING and SUSAN BAISDEN-KONING also assisted other North Platte area taxpayers in evading the assessment of approximately \$579,000 in individual federal income taxes. In total, the conspiracy entered into by LOWELL BAISDEN, MICHAEL KONING and SUSAN BAISDEN-KONING involved the attempt to defraud and evade and defeat approximately \$1,569,000 in individual federal income taxes for all taxpayers involved.

OVERT ACTS

25. In furtherance of the conspiracy, and to effect the objects thereof, the following overt acts were committed in the District of Nebraska, and elsewhere:

1. On August 2, 1999, MICHAEL KONING signed the Articles of Incorporation to establish Bioventures, Inc. with the Nevada Secretary of State.

2. On August 4, 1999, SUSAN BAISDEN-KONING signed the Articles of Incorporation to establish Bioventures, Inc. with the Nevada Secretary of State.
3. On August 12, 1999, SUSAN BAISDEN- KONING signed the Initial List of Officers for Bioventures Inc. On this document, Baisden-Koning is listed as Vice President, Treasurer and Director and MICHAEL KONING is listed as President, Secretary, and Director.
4. On or about August 16, 1999, MICHAEL KONING and SUSAN BAISDEN- KONING opened account number 4442001774 in the name of Bioventures, Inc. at First Security Bank.
5. On or about October 15, 1999, MICHAEL KONING executed check number 1147 for \$70,000, payable to Bioventures, Inc., and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.
6. On or about December 31, 1999, SUSAN BAISDEN- KONING executed check number 1239 for \$81,018.73, payable to Bioventures, Inc., and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.
7. On or about February 15, 2000, MICHAEL KONING executed check number 1298 for \$130,000, payable to Bioventures, and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.
8. On or about March 10, 2000, MICHAEL KONING and SUSAN BAISDEN- KONING opened account number 0440207479 in the name of Bioventures, Inc. at First Security Bank.
9. On or about March 15, 2000, MICHAEL KONING executed check number 1340 for \$175,000, payable to Bioventures, Inc., and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.
10. On or about April 11, 2000, MICHAEL KONING and SUSAN BAISDEN- KONING electronically signed or authorized LOWELL BAISDEN to electronically sign a 1999 Forms 1040, U.S. Individual Income Tax Return, with the Internal Revenue Service, that they knew to be false as to material matters. This return was filed on or about April 15, 2000.

11. On or about December 15, 2000, MICHAEL KONING executed check number 2011 for \$80,000, payable to Bioventures, Inc., and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.
12. On or about December 30, 2000, SUSAN BAISDEN- KONING executed check number 1005 for \$147,218.68 payable to SLV Earth Movers, and drawn on First Security Bank account number 0440207479 in the name of Bioventures, Inc.
13. On or about February 15, 2001, MICHAEL KONING executed check number 2092 for \$81,000, payable to Bioventures, and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.
14. On or about March 15, 2001, MICHAEL KONING executed check number 2130 for \$87,000, payable to Bioventures, and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.
15. On or about April 3, 2001, MICHAEL KONING and SUSAN BAISDEN-KONING electronically signed or authorized LOWELL BAISDEN to electronically sign a 2000 Forms 1040, U.S. Individual Income Tax Return, with the Internal Revenue Service, that they knew to be false as to material matters. This return was filed on or about April 15, 2001.
16. On or about May 15, 2001, MICHAEL KONING executed check number 2192 for \$84,000, payable to Bioventures, Inc., and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.
17. On or about June 21, 2001, MICHAEL KONING executed check number 2220 for \$66,000, payable to Bioventures, Inc., and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.
18. On or about July 15, 2001, MICHAEL KONING executed check number 2256 for \$57,000, payable to Bioventures, Inc., and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.
19. On or about August 15, 2001, MICHAEL KONING executed check number 2285 for \$85,000, payable to Bioventures, Inc., and drawn on

NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.

20. On or about September 15, 2001, SUSAN BAISDEN- KONING executed check number 2323 for \$60,000, payable to Bioventures, Inc., and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.
21. On or about October 15, 2001, MICHAEL KONING executed check number 2357 for \$98,800, payable to Bioventures, Inc., and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.
22. On or about December 31, 2001, MICHAEL KONING executed check number 2429 for \$43,634, payable to Bioventures, Inc., and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.
23. On or about February 15, 2002, MICHAEL KONING executed check number 2492 for \$87,402, payable to Bioventures, Inc., and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.
24. On or about March 15, 2002, SUSAN BAISDEN- KONING executed check number 2820 for \$66,800, payable to Bioventures, Inc., and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.
25. On or about April 2, 2002, SUSAN BAISDEN- KONING executed check number 1008 for \$53,423 payable to Alpine Log Homes, and drawn on Nevada Commerce Bank account number 11005774 in the name of Bioventures, Inc.
26. On or about April 11, 2002, MICHAEL KONING and SUSAN BAISDEN- KONING electronically signed or authorized LOWELL BAISDEN to electronically sign a 2001 Forms 1040, U.S. Individual Income Tax Return, with the Internal Revenue Service, that they knew to be false as to material matters. This return was filed on or about April 15, 2002.
27. On or about April 22, 2002, SUSAN BAISDEN- KONING executed check number 2857 for \$72,000, payable to Bioventures, Inc., and drawn on NebraskaLand National Bank account number 262642 in the name of

Anesthesia Consultants of Nebraska Inc.

28. On or about April 23, 2002, MICHAEL KONING signed a 2001 Form 1120 for Bioventures, Inc., a return that he knew to be false as to material matters. This return was filed on or about April 28, 2002.
29. On or about May 15, 2002, MICHAEL KONING executed check number 2882 for \$81,000, payable to Bioventures, Inc., and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.
30. On or about June 17, 2002, SUSAN BAISDEN- KONING executed check number 2917 for \$83,000, payable to Bioventures, Inc., and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.
31. On or about July 15, 2002, MICHAEL KONING executed check number 2954 for \$67,000, payable to Bioventures, Inc., and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.
32. On or about July 23, 2002, MICHAEL KONING signed documentation to establish Arcturus Corporation with the Nevada Secretary of State.
33. On or about August 15, 2002, SUSAN BAISDEN- KONING executed check number 2987 for \$72,000, payable to Bioventures, Inc., and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.
34. On or about August 24, 2002, MICHAEL KONING and SUSAN BAISDEN- KONING signed documentation to establish the nominee entity, CW Corporation, with the Nevada Secretary of State.
35. On or about September 1, 2002, SUSAN BAISDEN- KONING executed check number 1420 for \$17,800 payable to MICHAEL KONING, and drawn on Nevada Commerce Bank account number 11005766 in the name of Bioventures, Inc.
36. On or about September 13, 2002, MICHAEL KONING and SUSAN BAISDEN- KONING signed documentation to establish the nominee entity, Stratus Corporation, with the Nevada Secretary of State.
37. On or about September 13, 2002, MICHAEL KONING and SUSAN

BAISDEN- KONING signed documentation to establish the nominee entity, ZW Corporation, with the Nevada Secretary of State.

38. On or about September 15, 2002, MICHAEL KONING executed check number 3010 for \$18,333, payable to Oceana Blue Corp, and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska, Inc.
39. On or about September 20, 2002, MICHAEL KONING executed check number 3014 for \$65,000, payable to Bioventures, Inc., and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.
40. On or about September 20, 2002, SUSAN BAISDEN- KONING executed check number 1015 for \$83,033.49 payable to Martin Builders Inc., and drawn on Nevada Commerce Bank account number 11005774 in the name of Bioventures, Inc.
41. On or about October 19, 2002, MICHAEL KONING executed check number 3036 for \$70,000, payable to Bioventures Inc., and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.
42. On or about October 19, 2002, MICHAEL KONING executed check number 3045 for \$45,000, payable to Arcturus Corp, and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska, Inc.
43. On or about October 30, 2002, MICHAEL KONING signed a Stock Purchase Agreement as Chief Executive Officer of Arcturus Corporation.
44. On or about November 1, 2002, MICHAEL KONING signed a Business Purchase Agreement as Chief Executive Officer of Arcturus Corporation.
45. On or about November 4, 2002, MICHAEL KONING and SUSAN BAISDEN- KONING signed a signature card to open checking account number 11009586 at Nevada Commerce Bank in the name of Arcturus Corporation.
46. On or about November 15, 2002, SUSAN BAISDEN- KONING executed check number 3073 for \$70,000, payable to Bioventures, Inc., and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.

47. On or about November 15, 2002, SUSAN BAISDEN- KONING executed check number 3075 for \$50,000, payable to Arcturus Corp., and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska, Inc.
48. On or about November 19, 2002, MICHAEL KONING and SUSAN BAISDEN- KONING executed quit claim deeds to transfer title to personally-owned investment properties in Polk County, Oregon from their names into the names of nominee corporations, F.T. Corporation and North Corporation.
49. On or about December 9, 2002, MICHAEL KONING and SUSAN BAISDEN- KONING executed quit claim deeds to transfer title to personally-owned investment properties in Del Norte, Colorado from their names into the name of F.T. Corporation, a nominee corporation.
50. On or about December 9, 2002, MICHAEL KONING and SUSAN BAISDEN- KONING signed a signature card to open bank account number 11007283 at Nevada Commerce Bank in the name of the nominee entity, CW Corporation.
51. On or about December 18, 2002, SUSAN BAISDEN- KONING executed check number 3115 for \$67,000, payable to Bioventures, Inc., and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.
52. On or about December 18, 2002, MICHAEL KONING executed check number 3117 for \$50,000, payable to Arcturus Corporation, and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska, Inc.
53. On or about December 31, 2002, MICHAEL KONING executed check number 3121 for \$51,000, payable to Bioventures, Inc., and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.
54. On or about January 15, 2003, MICHAEL KONING executed check number 3144 for \$12,500, payable to CW Corp, and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.
55. On or about January 15, 2003, MICHAEL KONING signed a Stock Purchase Agreement as Chief Executive Officer of Arcturus Corporation.

56. On or about January 15, 2003, MICHAEL KONING signed a Sole Proprietorship Purchase Agreement as Chief Executive Officer of Arcturus Corporation.
57. On or about February 6, 2003, MICHAEL KONING and SUSAN BAISDEN- KONING signed a signature card to open checking account number 11009404 at Nevada Commerce Bank in the name of Arcturus Corporation.
58. On or about February 13, 2003, SUSAN BAISDEN- KONING executed check number 1535 for \$34,252 payable to Lindley's Cabinets, and drawn on Nevada Commerce Bank account number 11005766 in the name of Bioventures, Inc.
59. On or about February 15, 2003, MICHAEL KONING executed check number 3162 for \$18,333, payable to Oceana Blue, and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska, Inc.
60. On or about February 24, 2003, MICHAEL KONING executed check number 3164 for \$78,000, payable to CW Corporation, and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.
61. On or about February 24, 2003, MICHAEL KONING executed check number 3166 for \$26,833.34, payable to Arcturus Corp, and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska, Inc.
62. On or about March 15, 2003, SUSAN BAISDEN- KONING executed check number 3186 for \$67,000, payable to CW Corp., and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.
63. On or about April 11, 2003, MICHAEL KONING and SUSAN BAISDEN- KONING electronically signed or authorized LOWELL BAISDEN to electronically sign a 2002 Forms 1040, U.S. Individual Income Tax Return, with the Internal Revenue Service, that they knew to be false as to material matters. This return was filed on or about April 15, 2003.
64. On or about July 30, 2003, MICHAEL KONING and SUSAN BAISDEN- KONING signed a signature card to open bank account number 11006921

- at Nevada Commerce Bank in the name of the nominee entity, Stratus Corporation.
65. On or about July 31, 2003, MICHAEL KONING and SUSAN BAISDEN-KONING signed a signature card to open bank account number 11006814 at Nevada Commerce Bank in the name of the nominee entity, ZW Corporation.
 66. On or about April 11, 2004, MICHAEL KONING and SUSAN BAISDEN-KONING electronically signed or authorized LOWELL BAISDEN to electronically sign a 2003 Forms 1040, U.S. Individual Income Tax Return, with the Internal Revenue Service, that they knew to be false as to material matters. This return was filed on or about April 15, 2004.
 67. On or about April 1, 2002, and at various times thereafter in 2002 and early 2003, MICHAEL KONING and LOWELL BAISDEN arranged for LOWELL BAISDEN to meet with medical professionals in North Platte, Nebraska, for the purpose of recruiting them into the scheme to defraud the United States by evading the payment and collection of taxes.
 68. On or about February 19, 2000, LOWELL BAISDEN prepared and signed a Form 1120, U.S. Corporation Income Tax Return for the 1999 tax year, for Anesthesia Consultants of Nebraska, Inc., which falsely and materially misrepresented expenses for Anesthesia Consultants of Nebraska, Inc.
 69. On or about February 29, 2000, LOWELL BAISDEN prepared and signed a Form 1120, U.S. Corporation Income Tax Return for the 1999 tax year, for Bioventures, Inc., which falsely and materially misrepresented income, expenses, and the nature of the business activity for Bioventures, Inc.
 70. On or about March 4, 2000, MICHAEL KONING signed a Form 1120, U.S. Corporation Income Tax Return for the 1999 tax year, for Anesthesia Consultants of Nebraska, Inc., which falsely and materially misrepresented expenses for Anesthesia Consultants of Nebraska, Inc.
 71. On or about April 11, 2000, LOWELL BAISDEN prepared and presumably electronically transmitted to the IRS a Form 1040, U.S. Individual Income Tax Return, for the 2001 tax year, in the names of MICHAEL KONING and SUSAN BAISDEN-KONING, which falsely and materially misrepresented income and expenses for MICHAEL KONING and SUSAN BAISDEN-KONING.

72. On or about March 13, 2001, LOWELL BAISDEN prepared and signed a Form 1120, U.S. Corporation Income Tax Return for the 2000 tax year, for Anesthesia Consultants of Nebraska, Inc., which falsely and materially misrepresented expenses for Anesthesia Consultants of Nebraska, Inc.
73. On or about March 13, 2001, MICHAEL KONING signed a Form 1120, U.S. Corporation Income Tax Return for the 2000 tax year, for Anesthesia Consultants of Nebraska, Inc., which falsely and materially misrepresented expenses for Anesthesia Consultants of Nebraska, Inc.
74. On or about March 13, 2001, LOWELL BAISDEN prepared and signed a Form 1120, U.S. Corporation Income Tax Return for the 2000 tax year, for Bioventures, Inc., which falsely and materially misrepresented income, expenses, and the nature of the business activity for Bioventures, Inc.
75. On or about April 3, 2001, LOWELL BAISDEN prepared and presumably electronically transmitted to the IRS a Form 1040, U.S. Individual Income Tax Return, for the 2000 tax year, in the names of MICHAEL KONING and SUSAN BAISDEN- KONING, which falsely and materially misrepresented income and expenses for MICHAEL KONING and SUSAN BAISDEN- KONING.
76. On or about January 14, 2002, LOWELL BAISDEN prepared and signed a Form 1120, U.S. Corporation Income Tax Return for the 2001 tax year, for Anesthesia Consultants of Nebraska, Inc., which falsely and materially misrepresented expenses for Anesthesia Consultants of Nebraska, Inc.
77. On or about January 26, 2002, MICHAEL KONING signed a Form 1120, U.S. Corporation Income Tax Return for the 2001 tax year, for Anesthesia Consultants of Nebraska, Inc., which falsely and materially misrepresented expenses for Anesthesia Consultants of Nebraska, Inc.
78. On or about April 10, 2002, LOWELL BAISDEN prepared and signed a Form 1120, U.S. Corporation Income Tax Return for the 2001 tax year, for Bioventures, Inc., which falsely and materially misrepresented income, expenses, and the nature of the business activity for Bioventures, Inc.
79. On or about April 11, 2002, LOWELL BAISDEN prepared and presumably electronically transmitted to the IRS a Form 1040, U.S. Individual Income Tax Return, for the 2001 tax year, in the names of MICHAEL KONING and SUSAN BAISDEN- KONING, which falsely and materially misrepresented income and expenses for MICHAEL KONING and SUSAN BAISDEN- KONING.

80. In approximately June 2002, MICHAEL KONING called a third party and asked if she would, for a fee, serve as resident agent and corporate nominee for corporate entities that LOWELL BAISDEN would be setting up for Koning and other doctors. During the conversation, Koning told the third party that Baisden would be calling her.
81. In approximately June 2002, LOWELL BAISDEN called a third party and made arrangements for her to serve as the resident agent and corporate nominee for several corporations.
82. On or about February 26, 2003, LOWELL BAISDEN made false statements to an IRS Revenue Agent, who was attempting to conduct an audit of Bioventures for the 2001 tax year. Specifically, Baisden told the Revenue Agent about the nature of the expenditures that comprised the Repairs and Maintenance expense line item on the 2001 Form 1120 for Bioventures, Inc.
83. On or about February 28, 2003, LOWELL BAISDEN prepared and signed a Form 1120, U.S. Corporation Income Tax Return for the 2002 tax year, for Anesthesia Consultants of Nebraska, Inc., which falsely and materially misrepresented expenses for Anesthesia Consultants of Nebraska, Inc.
84. On or about March 8, 2003, MICHAEL KONING signed a Form 1120, U.S. Corporation Income Tax Return for the 2002 tax year, for Anesthesia Consultants of Nebraska, Inc., which falsely and materially misrepresented expenses for Anesthesia Consultants of Nebraska, Inc.
85. On or about March 8, 2003, MICHAEL KONING executed check number 1003 for \$10,444.96, payable to LOWELL BAISDEN, and drawn on Nevada Commerce Bank account number 11009404 in the name of Arcturus Corporation, as part of the \$56,676.15 in total profits paid to LOWELL BAISDEN from the Arcturus scheme.
86. On or about March 11, 2003, LOWELL BAISDEN made false statements to an IRS Revenue Agent about Bioventures' source of income as reported as Gross Receipts on the 2001 Form 1120 for Bioventures, Inc. Specifically, Baisden told the Revenue Agent that Bioventures' income was derived from the sale of parcels of land and grazing fees, and possibly quarry mining, when in fact he knew that all of the income payments were received from Anesthesia Consultants of Nebraska Inc. as compensation for Koning's work as an anesthesiologist.

87. On or about March 11, 2003, LOWELL BAISDEN made false statements to an IRS Revenue Agent about the nature of the rental expenses as reported on the 2001 Form 1120 for Bioventures, Inc. Specifically, Baisden told the Revenue Agent that he believed the rental expense relates to equipment rental.
88. On or about March 18, 2003, LOWELL BAISDEN made false statements to an IRS Revenue Agent about the source of income as reported as gross receipts on the 2001 Form 1120 for Bioventures, Inc. Specifically, Baisden stated the gross receipts were comprised primarily of proceeds from the sale of parcels of land, but also included some income from sale of hay and grazing fees.
89. On or about March 18, 2003, LOWELL BAISDEN made false statements to an IRS Revenue Agent about the nature of the rental expenses as reported on the 2001 Form 1120 for Bioventures, Inc. Specifically, Baisden told the Revenue Agent that the rental expense relates to the rental of a house on the Del Norte, Colorado property owned by MICHAEL KONING and SUSAN BAISDEN- KONING.
90. On or about April 11, 2003, LOWELL BAISDEN prepared and presumably electronically transmitted to the IRS a Form 1040, U.S. Individual Income Tax Return, for the 2002 tax year, in the names of MICHAEL KONING and SUSAN BAISDEN- KONING, which falsely and materially misrepresented income and expenses for MICHAEL KONING and SUSAN BAISDEN- KONING.
91. On or about April 15, 2003, MICHAEL KONING executed check number 3204 for \$65,000, payable to CW Corporation, and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.
92. On or about May 14, 2003, LOWELL BAISDEN made false statements to an IRS Revenue Agent about the disposition of the proceeds from the sale of Pronghorn Ranch lots in Del Norte, Colorado. Specifically, Baisden stated Bioventures, Inc. received the sale proceeds, when in fact, none of the proceeds checks from Pronghorn Ranch sales were deposited into accounts in the name of Bioventures, and most were deposited into the Konings' personal bank accounts.
93. On or about May 14, 2003, LOWELL BAISDEN made false statements to an IRS Revenue Agent about the number of Pronghorn Ranch lots sold. Baisden stated that the issue of expensing versus capitalizing various costs

was irrelevant because all of the lots had been sold. On the contrary, as of the date of this conversation, only eleven of fifty-three lots had been sold.

94. On or about May 15, 2003, MICHAEL KONING executed check number 3227 for \$97,000, payable to CW Corporation, and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.
95. On or about May 19, 2003, LOWELL BAISDEN made false statements to an IRS Revenue Agent when he stated that no Pronghorn Ranch sales were reported on the Konings' personal return, when in fact the only place such sales had been reported for the years 2000, 2001, and 2002 was on the Konings' personal returns.
96. On or about May 20, 2003, LOWELL BAISDEN made false statements to an IRS Revenue Agent when he stated that the Gross Receipts reflected on the 2000 Form 1120 for Bioventures, Inc. consisted of the proceeds from the sale of land adjacent to the Pronghorn Ranch land. On the contrary, as Baisden knew, the gross receipts for 2000 consisted entirely of payments received from Anesthesia Consultants of Nebraska Inc. as compensation for Koning's work as an anesthesiologist.
97. On or about July 16, 2003, MICHAEL KONING executed check number 2243 for \$30,000, payable to NebraskaLand National Bank, and drawn on Nevada Commerce Bank account number 11007291 in the name of Granite Corporation.
98. On or about July 21, 2003, MICHAEL KONING executed check number 3269 for \$59,000, payable to CW Corporation, and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.
99. On or about August 15, 2003, MICHAEL KONING executed check number 3284 for \$30,000, payable to CW Corporation, and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.
100. On or about August 15, 2003, MICHAEL KONING executed check number 3285 for \$24,000, payable to Stratus Corporation, and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.

101. On or about August 15, 2003, SUSAN BAISDEN- KONING executed check number 3286 for \$21,000, payable to ZW Corporation, and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.
102. On or about October 15, 2003, SUSAN BAISDEN- KONING executed check number 3332 for \$22,800, payable to CW Corporation, and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.
103. On or about October 15, 2003, SUSAN BAISDEN- KONING executed check number 3333 for \$18,240, payable to Stratus Corporation, and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.
104. On or about October 15, 2003, SUSAN BAISDEN- KONING executed check number 3334 for \$15,960, payable to ZW Corporation, and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.
105. On or about November 30, 2003, LOWELL BAISDEN made a referral fee payment, in the form of check number 7047 for \$2,050, payable to Susan L. Baisden-Koning, and drawn on Taft National Bank account number 00211867 in the name of Lowell A. Baisden.
106. On or about December 1, 2003, SUSAN BAISDEN- KONING executed check number 2276 for \$10,958.90, payable to NebraskaLand National Bank, and drawn on Nevada Commerce Bank account number 11007291 in the name of Granite Corporation.
107. On or about December 15, 2003, SUSAN BAISDEN- KONING executed check number 3386 for \$33,000, payable to CW Corporation, and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.
108. On or about December 16, 2003, LOWELL BAISDEN made false statements to an IRS Revenue Agent about the source of income as reported as gross receipts on the 2001 Form 1120 for Bioventures, Inc. Specifically, Baisden stated the gross receipts were comprised solely from the sale of Pronghorn Ranch property, when in fact he knew that all of the income payments were received from Anesthesia Consultants of Nebraska Inc. as compensation for Koning's work as an anesthesiologist.

109. On or about December 21, 2003, MICHAEL KONING executed check number 1015 for \$13,110.85, payable to LOWELL BAISDEN, and drawn on Nevada Commerce Bank account number 11009404 in the name of Arcturus Corporation, as part of the \$56,676.15 in total profits paid to LOWELL BAISDEN from the Arcturus scheme.
110. On or about January 15, 2004, SUSAN BAISDEN- KONING executed check number 3396 for \$9,200, payable to CW Corporation, and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.
111. On or about January 15, 2004, SUSAN BAISDEN- KONING executed check number 3397 for \$5,980, payable to Stratus Corporation, and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.
112. On or about January 15, 2004, SUSAN BAISDEN- KONING executed check number 3432 for \$25,300, payable to ZW Corporation, and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.
113. On or about February 15, 2004, SUSAN BAISDEN- KONING executed check number 3431 for \$30,000, payable to CW Corporation, and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.
114. On or about February 15, 2004, SUSAN BAISDEN- KONING executed check number 3432 for \$25,300, payable to ZW Corporation, and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.
115. On or about February 15, 2004, SUSAN BAISDEN- KONING executed check number 3433 for \$19,300, payable to Stratus Corporation, and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.
116. On or about February 29, 2004, LOWELL BAISDEN made a referral fee payment, in the form of check number 8112 for \$1,000, payable to Susan L. Baisden-Koning, and drawn on Bank of the Sierra account number 2401019880 in the names of Lowell A. & Theresa A. Baisden.
117. On or about April 3, 2004, LOWELL BAISDEN prepared and signed a Form 1120, U.S. Corporation Income Tax Return for the 2003 tax year, for

Anesthesia Consultants of Nebraska, Inc., which falsely and materially misrepresented expenses for Anesthesia Consultants of Nebraska, Inc.

118. On or about April 4, 2004, LOWELL BAISDEN prepared and signed a Form 1120, U.S. Corporation Income Tax Return for the 2003 tax year, for Granite Corporation, which falsely and materially misrepresented expenses for Granite Corporation.
119. On or about April 5, 2004, LOWELL BAISDEN prepared and signed a Form 1120, U.S. Corporation Income Tax Return for the 2003 tax year, in the name of Arcturus Corporation, which falsely and materially misrepresented income, expenses, and the nature of the business activity for Arcturus Corporation.
120. On or about April 8, 2004, MICHAEL KONING signed a Form 1120, U.S. Corporation Income Tax Return for the 2003 tax year, in the name of Arcturus Corporation, which falsely and materially misrepresented income, expenses, and the nature of the business activity for Arcturus Corporation.
121. On or about April 8, 2004, MICHAEL KONING signed a Form 1120, U.S. Corporation Income Tax Return for the 2003 tax year, for Anesthesia Consultants of Nebraska, Inc., which falsely and materially misrepresented expenses for Anesthesia Consultants of Nebraska, Inc.
122. On or about April 11, 2004, LOWELL BAISDEN prepared and presumably electronically transmitted to the IRS a Form 1040, U.S. Individual Income Tax Return, for the 2003 tax year, in the names of MICHAEL KONING and SUSAN BAISDEN- KONING, which falsely and materially misrepresented income and expenses for MICHAEL KONING and SUSAN BAISDEN- KONING.
123. On or about April 13, 2004, MICHAEL KONING executed check number 1017 for \$7,000, payable to LOWELL BAISDEN, and drawn on Nevada Commerce Bank account number 11009404 in the name of Arcturus Corporation, as part of the \$56,676.15 in total profits paid to LOWELL BAISDEN from the Arcturus scheme.
124. On or about April 15, 2004, MICHAEL KONING executed check number 3479 for \$26,860, payable to CW Corporation, and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.

125. On or about April 15, 2004, MICHAEL KONING executed check number 3480 for \$20,540, payable to ZW Corporation, and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.
126. On or about April 15, 2004, MICHAEL KONING executed check number 3481 for \$31,600, payable to Stratus Corporation, and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.
127. On or about July 15, 2004, SUSAN BAISDEN- KONING executed check number 3545 for \$10,560, payable to CW Corporation, and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.
128. On or about July 15, 2004, SUSAN BAISDEN- KONING executed check number 3546 for \$17,160, payable to ZW Corporation, and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.
129. On or about July 15, 2004, SUSAN BAISDEN- KONING executed check number 3547 for \$38,280, payable to Stratus Corporation, and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.
130. On or about August 15, 2004, MICHAEL KONING executed check number 3561 for \$10,900, payable to CW Corporation, and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.
131. On or about August 15, 2004, MICHAEL KONING executed check number 3562 for \$10,900, payable to ZW Corporation, and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.
132. On or about August 15, 2004, MICHAEL KONING executed check number 3563 for \$87,200, payable to Stratus Corporation, and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.
133. On or about September 27, 2004, SUSAN BAISDEN- KONING executed check number 3580 for \$106,000, payable to Stratus Corporation, and

drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.

134. On or about October 14, 2004, LOWELL BAISDEN faxed to an IRS Revenue Agent an unsigned joint venture agreement between MICHAEL KONING, SUSAN BAISDEN- KONING, and Bioventures, Incorporated.
135. On or about October 20, 2004, MICHAEL KONING executed check number 1146 for \$50,000, payable to Stratus Corporation, and drawn on Nevada Commerce Bank account number 11006814 in the name of ZW Corporation.
136. On or about October 21, 2004, SUSAN BAISDEN- KONING executed check number 2386 for \$50,000, payable to Stratus Corporation, and drawn on Nevada Commerce Bank account number 11007291 in the name of Granite Corporation.
137. On or about October 22, 2004, SUSAN BAISDEN- KONING executed check number 3588 for \$28,000, payable to Stratus Corporation, and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.
138. On or about November 3, 2004, SUSAN BAISDEN- KONING executed check number 2388 for \$20,000, payable to Stratus Corporation, and drawn on Nevada Commerce Bank account number 11007291 in the name of Granite Corporation.
139. On or about November 4, 2004, SUSAN BAISDEN- KONING executed check number 1152 for \$30,000, payable to Montana Homefitters, and drawn on Nevada Commerce Bank account number 11006814 in the name of ZW Corporation.
140. On or about November 8, 2004, SUSAN BAISDEN- KONING executed check number 1351 for \$20,000, payable to Stratus Corporation, and drawn on Nevada Commerce Bank account number 11007283 in the name of CW Corporation.
141. On or about November 22 2004, SUSAN BAISDEN- KONING executed check number 2391 for \$10,000, payable to Stratus Corporation, and drawn on Nevada Commerce Bank account number 11007291 in the name of Granite Corporation.

142. On or about November 30, 2004, SUSAN BAISDEN- KONING executed check number 3597 for \$18,000, payable to Stratus Corporation, and drawn on NebraskaLand National Bank account number 262642 in the name of Anesthesia Consultants of Nebraska Inc.
143. On or about June 15, 2005, LOWELL BAISDEN made false statements to an IRS Special Agent and Revenue Agent when he stated he previously provided the Revenue Agent with the 2001 Bioventures Trial Balance.
144. On or about July 18, 2005, MICHAEL KONING authorized a transfer of \$2,000.01 from Nevada Commerce Bank account number 11009404 in the name of Arcturus Corporation to account number 11006921 in the name of Stratus Corporation, as part of the \$56,676.16 in total profits paid to MICHAEL KONING from the Arcturus scheme.
145. On or about January 8, 2007, LOWELL BAISDEN submitted a declaration that contradicted numerous previous statements in support of opposition to the government's motion for injunction in U.S. v. LOWELL BAISDEN, 1:06cv1368, U.S. District Court, Eastern District of California. In that declaration, Baisden provided the following explanation for the rental expense deducted on the 2001 Form 1120 for Bioventures, Inc.: "monthly rent of the property is paid to the individual from the corporation to value the corporation's involvement in the joint venture. This monthly rent is based on a combination of the market value and the assessment of risk that the individual is taking. When the property is ultimately sold, both the corporation and the individual share in the income based on their relative risk throughout the joint venture."
146. On or about January 8, 2007, MICHAEL KONING submitted a declaration in support of opposition to the government's motion for injunction in U.S. v. LOWELL BAISDEN, 1:06cv1368, U.S. District Court, Eastern District of California. In that declaration, Koning asserted the following explanation for the rental expense deducted on the 2001 Form 1120 for Bioventures, Inc.: "As part of the joint venture Bioventures paid me rent and I reported rent income on my income tax returns. Prior to entering into the joint venture, Mr. Baisden advised me that it posed a risk because I would be investing cash and incurring debt, but I elected to enter into it."

In violation of Title 18, United States Code, Section 371.

Count II

26. The Grand Jury hereby repeats and realleges each and every allegation contained in Paragraphs 1 through 13 of the Indictment.

27. That on or about the 15th day of April, 2002, and continuing to the present, in the District of Nebraska, the defendants, MICHAEL KONING, SUSAN BAISDEN- KONING, residents of North Platte, Nebraska, during all times material to this Indictment, and LOWELL BAISDEN, a resident of Bakersfield, California, did willfully attempt to evade and defeat the income tax due and owing by MICHAEL KONING and SUSAN BAISDEN- KONING to the United States of America, for the calendar year 2001, in the amount of \$189,560, by the following:

- a. Concealing and Attempting to Conceal From the Internal Revenue Service the Nature and Extent of MICHAEL KONING and SUSAN BAISDEN- KONING's income and assets and the location thereof;
- b. By placing income and property in the names of nominee corporations, including but not limited to, Bioventures Inc.;
- c. By making false statements to agents and employees of the Internal Revenue Service;
- d. By filing with the Internal Revenue Service a Form 1040, Individual Income Tax Return, for the 2001 tax year, in the names of MICHAEL KONING and SUSAN BAISDEN- KONING, which falsely and materially misrepresented income and expenses for MICHAEL KONING and SUSAN BAISDEN- KONING;
- e. By filing with the Internal Revenue Service a Form 1120, U.S. Corporation Income Tax Return for the 2001 tax year, in the name of Bioventures, Inc., which falsely and materially misrepresented income, expenses, and the nature of the business activity for Bioventures, Inc.;
- f. By filing with the Internal Revenue Service a Form 1120, U.S. Corporation Income Tax Return for the 2001 tax year, in the name of Anesthesia Consultants

of Nebraska, Inc., which falsely and materially misrepresented expenses for Anesthesia Consultants of Nebraska, Inc.;

- g. By claiming residency in Colorado and filing with the state of Colorado, a Form 104, Colorado Individual Income Tax Return for 2001, which falsely and materially misrepresented income and expenses for MICHAEL KONING and SUSAN BAISDEN- KONING; and
- h. By failing to file with the State of Nebraska a Form 1040N, Nebraska Individual Income Tax Return for 2001, despite the fact that MICHAEL KONING earned \$898,234 of income for his work as an anesthesiologist for Anesthesia Consultants of Nebraska Inc. in North Platte, Nebraska.

In violation of Title 26, United States Code, Section 7201 and Title 18, United States Code, Section 2.

Count III

28. The Grand Jury hereby repeats and realleges each and every allegation contained in Paragraphs 1 through 13 of the Indictment.

29. That on or about the 15th day of April, 2003, and continuing to the present, in the District of Nebraska, the defendants, MICHAEL KONING, SUSAN BAISDEN- KONING, residents of North Platte, Nebraska during all times material to this Indictment, and LOWELL BAISDEN, a resident of Bakersfield, California, did willfully attempt to evade and defeat the income tax due and owing by MICHAEL KONING and SUSAN BAISDEN- KONING to the United States of America, for the calendar year 2002, in the amount of \$152,825, by the following:

- a. Concealing and Attempting to Conceal From the Internal Revenue Service the Nature and Extent of MICHAEL KONING and SUSAN BAISDEN- KONING's income and assets and the location thereof;
- b. By placing income and property in the names of nominee corporations, including but limited to Arcturus Corporation, Bioventures Inc., CW Corporation, FT

Corporation, Granite Corporation, MAK Air Corp., North Corporation, Stratus Corporation, and ZW Corporation;

- c. By making false statements to agents and employees of the Internal Revenue Service;
- d. By filing with the Internal Revenue Service a Form 1040, Individual Income Tax Return, for the 2002 tax year, in the names of MICHAEL KONING and SUSAN BAISDEN- KONING, which falsely and materially misrepresented income and expenses for MICHAEL KONING and SUSAN BAISDEN- KONING;
- e. By filing with the Internal Revenue Service a Form 1120, U.S. Corporation Income Tax Return for the 2002 tax year, in the name of Anesthesia Consultants of Nebraska, Inc., which falsely and materially misrepresented expenses for Anesthesia Consultants of Nebraska, Inc.;
- f. By claiming residency in Colorado and filing with the state of Colorado, a Form 104, Colorado Individual Income Tax Return for 2002, which falsely and materially misrepresented income and expenses for MICHAEL KONING and SUSAN BAISDEN- KONING; and
- g. By failing to file with the State of Nebraska a Form 1040N, Nebraska Individual Income Tax Return for 2002, despite the fact that MICHAEL KONING earned \$880,102 of income for his work as an anesthesiologist for Anesthesia Consultants of Nebraska Inc. in North Platte, Nebraska.

In violation of Title 26, United States Code, Section 7201 and Title 18, United States Code, Section 2.

Count IV

30. The Grand Jury hereby repeats and realleges each and every allegation contained in Paragraphs 1 through 13 of the Indictment.

31. That on or about the 15th day of April, 2004, and continuing to the present, in the District of Nebraska, the defendants, MICHAEL KONING, SUSAN BAISDEN- KONING, residents of North Platte, Nebraska during all times material to this Indictment, and LOWELL BAISDEN, a resident of Bakersfield, California, did willfully attempt to evade and defeat the

income tax due and owing by MICHAEL KONING and SUSAN BAISDEN- KONING to the United States of America, for the calendar year 2003, in the amount of \$236,217 by the following:

- a. Concealing and Attempting to Conceal From the Internal Revenue Service the Nature and Extent of MICHAEL KONING and SUSAN BAISDEN- KONING's income and assets and the location thereof;
- b. By placing income and property in the names of nominee corporations, including but limited to Arcturus Corporation, Bioventures Inc., CW Corporation, FT Corporation, Granite Corporation, MAK Air Corp., North Corporation, Stratus Corporation, and ZW Corporation;
- c. By making false statements to agents and employees of the Internal Revenue Service;
- d. By filing with the Internal Revenue Service a Form 1040, Individual Income Tax Return, for the 2003 tax year, in the names of MICHAEL KONING and SUSAN BAISDEN- KONING, which falsely and materially misrepresented income and expenses for MICHAEL KONING and SUSAN BAISDEN- KONING;
- e. By filing with the Internal Revenue Service a Form 1120, U.S. Corporation Income Tax Return for the 2003 tax year, in the name of Anesthesia Consultants of Nebraska, Inc., which falsely and materially misrepresented expenses for Anesthesia Consultants of Nebraska, Inc;
- f. By claiming residency in Colorado and filing with the state of Colorado, a Form 104, Colorado Individual Income Tax Return for 2003, which falsely and materially misrepresented income and expenses for MICHAEL KONING and SUSAN BAISDEN- KONING;
- g. By failing to file with the State of Nebraska a Form 1040N, Nebraska Individual Income Tax Return for 2003, despite the fact that MICHAEL KONING earned \$935,959 of income for his work as an anesthesiologist for Anesthesia Consultants of Nebraska Inc. in North Platte, Nebraska.

In violation of Title 26, United States Code, Section 7201 and Title 18, United States Code, Section 2.

Count V

32. The Grand Jury hereby repeats and realleges each and every allegation contained in Paragraphs 1 through 13 of the Indictment.

33. That on or about the 15th day of April, 2005, and continuing to the present, in the District of Nebraska, the defendants, MICHAEL KONING, SUSAN BAISDEN- KONING, residents of North Platte, Nebraska during all times material to this Indictment, and LOWELL BAISDEN, a resident of Bakersfield, California, did willfully attempt to evade and defeat the income tax due and owing by MICHAEL KONING and SUSAN BAISDEN- KONING to the United States of America, for the calendar year 2004, in the amount of \$203,228 by the following:

- a. Concealing and Attempting to Conceal From the Internal Revenue Service the Nature and Extent of MICHAEL KONING and SUSAN BAISDEN- KONING's income and assets and the location thereof;
- b. By placing income and property in the names of nominee corporations, including but limited to Arcturus Corporation, Bioventures Inc., CW Corporation, FT Corporation, Granite Corporation, MAK Air Corp., North Corporation, Stratus Corporation, and ZW Corporation;
- c. By making false statements to agents and employees of the Internal Revenue Service;
- d. By failing to file with any proper officer of the Internal Revenue Service a Form 1040, Individual Income Tax Return, for the 2004 calendar year, by April 15, 2005, as required by law;
- e. By failing to file with the Internal Revenue Service a Form 1120, U.S. Corporation Income Tax Return for the 2004 tax year, in the name of Anesthesia Consultants of Nebraska, Inc; and
- f. By failing to file with the State of Nebraska a Form 1040N, Nebraska Individual Income Tax Return for 2004, despite the fact that MICHAEL KONING earned

\$798,600 of income for his work as an anesthesiologist for Anesthesia Consultants of Nebraska Inc. in North Platte, Nebraska.

In violation of Title 26, United States Code, Section 7201 and Title 18, United States Code, Section 2.




JOE W. STECHER
United States Attorney

A TRUE BILL

FOREPERSON

The United States of America requests that trial of this case be held in Lincoln, Nebraska, pursuant to the rules of this Court.



STEVEN A. RUSSELL
Assistant U.S. Attorney